

**ABU DHABI AIRPORTS FREE ZONE
EMPLOYMENT REGULATIONS**

OCTOBER 2011



CONTENTS

Clause	Page
1. Interpretation and Application	1
2. Employment of Sponsored and Non-Sponsored Employees	3
3. Entry Permits and various other Visas and Permit.....	5
4. Medical Cover for Employees Sponsored by ADAC	6
5. Health and Safety.....	6
6. Third Party Liability and Worker's Compensation Insurance	7
7. Salary Certificates for Sponsored Employees.....	7
8. Recruitment of Employees and Employment Conditions	7
9. Resolution of Labour Disputes.....	8
10. Fines Imposed on Employers for Violation of the Regulations	9

ABU DHABI AIRPORTS FREE ZONE 2011

1. INTERPRETATION AND APPLICATION

1.1 Short Title And Commencement

- (a) These Regulations (as amended from time to time) are to be referred to as Abu Dhabi Airports Free Zone Employment Regulations 2011.
- (b) These Regulations shall come into force on 1 October 2011.
- (c) These Regulations may be amended or suspended by ADAC.

1.2 Interpretation

- (a) In these Regulations unless the context otherwise requires:

ADAC means the Abu Dhabi Airports "Public Joint Stock Company" or any other entity or company designated by it (including Skycity LLC) to carry out its functions under the Licensing Regulations, and which is tasked with the responsibility of procuring employment-related services to the Employees in Abu Dhabi Airports Free Zone, including but not limited to the issue of, entry permits, various types of visas, work permits, identification cards, medical certificates, medical tests and other Employee related matters;

Abu Dhabi Airports Free Zone Registration means the certificate issued by Abu Dhabi Airports Free Zone Registrar of Companies authorising the Employer to set up offices in and to operate the same from Abu Dhabi Airports Free Zone in accordance with the purposes stated in its Licence;

AED means the lawful currency of the UAE;

Bank Guarantee means the refundable, irrevocable, unconditional and absolute bank guarantee issued by a bank licensed and operating in Abu Dhabi in favour of ADAC, or the provision of a refundable cash deposit by the Employer to ADAC.

Customer Service Department means the health, safety, security and environment department established in Abu Dhabi Airports Free Zone by ADAC;

Decree means the Decree No 5 of 2006 in respect of the establishment of Abu Dhabi Airports Company "Public Joint Stock Company" as amended from time to time;

Employee means any employee of the Employer sponsored by ADAC for a Visa in accordance with the terms of the relevant Personnel Sponsorship Agreement;

Employer means a business operating in Abu Dhabi Airports Free Zone that is in possession of a valid and existing Abu Dhabi Airports Free Zone Registration and Licence;

Employment Contract means a valid written employment contract signed by Employer and Employee governing the employment relationship between them, whether for a limited or unlimited period of time;

Federal Immigration Law means UAE Federal Law No 6 of 1973, as amended from time to time, regarding entrance and residence of foreigners together with any supplementary ministerial resolutions or decisions as may be issued from time to time;

Labour Law means UAE Federal Law No 8 of 1980 on the Regulation of Labour Relations, as amended or re-enacted from time to time, together with any supplementary ministerial resolutions or decisions as may be issued from time to time and any ADAC labour by-law that may be implemented and amended from time to time;

Licence means a licence issued pursuant to the Licensing Regulations;

Licensing Regulations means Abu Dhabi Airports Free Zone Business Licensing Regulations 2011;

Personnel Sponsorship Agreement means the agreement concluded between ADAC (and/or a company authorized by ADAC for this purpose and references to ADAC in this context shall be construed as references to ADAC or any such authorized company as the case may be) and an Employer whereby ADAC agrees, subject to the terms and conditions therein, to sponsor Employees for employment by an Employer by procuring the Employees' entry permits and residence visas;

Remuneration means payments (in any form whatsoever) made to an Employee on an annual, monthly, weekly, daily, hourly, piece of work, production or commission basis in return for the work the Employee performs under an Employment Contract;

Sponsor means to sponsor a person for legal residence in the UAE in compliance with the requirements of the Federal Immigration Law ;

Third Party Liability Insurance means insurance cover pursuant to these Regulations and the Personnel Sponsorship Agreement;

Transfer means a transfer of the employment of and responsibility for an Employee, from one Employer to another Employer;

UAE means the Federal State of the United Arab Emirates;

Visa means the UAE work permits and residency visas;

Workers Compensation Insurance means insurance to cover compensation to an Employee and all related medical expenses in respect of any employment injury pursuant to these Regulations; and

Working Day means all week days except Friday and any public holidays announced by the Government of the UAE for Employees working in the private sector in the UAE (including its free zones).

- (b) A reference in these Regulations to a Clause without further identification, is a reference to Clause in these Regulations.
- (c) The headings herein are included for convenience of reference only and shall be ignored in the construction or interpretation of these Regulations.
- (d) References in these Regulations to time periods are to be construed in accordance with the Gregorian calendar.
- (e) References in these Regulations to any requirement for any document to be written, in writing, to be presented in writing or for the giving of any notice are to be construed as satisfied by an electronic record and any references in these Regulations to any

requirement for a signature on any document or notice are to be construed as satisfied by an electronic signature which may be proved in any manner.

- (f) References to the male gender shall also include the female gender unless the context otherwise requires.

1.3 Application

- (a) The Labour Law shall apply within Abu Dhabi Airports Free Zone and each Employer and Employee shall be under an obligation to comply with the provisions of the Labour Law and the Federal Immigration Law.
- (b) The Regulations apply to all Employers operating in Abu Dhabi Airports Free Zone and shall regulate the employment relationships between an Employee and an Employer.

2. EMPLOYMENT OF SPONSORED AND NON-SPONSORED EMPLOYEES

2.1 Sponsorship of Employees by ADAC

- (a) Where an Employer desires an Employee to be sponsored by ADAC, the Employer shall first enter into a Personnel Sponsorship Agreement with ADAC in the form prescribed by it.
- (b) Where ADAC sponsors an Employee for employment by an Employer, it shall, at all times, be the responsibility of the Employer to pay the Employee's Remuneration and any other payments and emoluments due to the Employee (and whether in connection with his employment or in relation to the circumstances of his dismissal) and in accordance with the terms of his Employment Contract and any applicable laws and regulations. ADAC shall not be responsible in any way whatsoever for any entitlements of an Employee, including without limitation, any entitlements to Remuneration or end of service payments.
- (c) Where an Employee is sponsored by ADAC he shall only work in Abu Dhabi Airports Free Zone but he may reside in the Emirate of Abu Dhabi and move freely in the UAE.
- (d) ADAC may permit, in its absolute discretion, a sponsored Employee to work outside Abu Dhabi Airports Free Zone:
 - (i) to carry out any specialist consultancy, advisory or installation or repair and maintenance work on behalf of the Employer; or
 - (ii) to perform any other activity in furtherance of the business of the Employer.
- (e) Any Employee sponsored by ADAC shall only work for the Employer who is at any given time the Employer of the Employee.
- (f) An Employer shall not recruit, employ or otherwise make use of an Employee who is already employed by another Employer, unless ADAC first permits a transfer, in writing, of that Employee.
- (g) Subject to Clause 2.1(h), ADAC will accept a request for a transfer of an Employee provided that:
 - (i) both Employers and the relevant Employee consent to the transfer in writing;
 - (ii) the receiving Employer has a valid Personnel Sponsorship Agreement with ADAC; and

- (iii) the Employee confirms in writing that he has received from the transferring Employer, all outstanding amounts (including without limitation any end of service benefits under applicable laws and regulations) or, alternatively, where the Employee confirms that it has received a binding commitment from the receiving Employer that it will be responsible for paying any such accrued entitlements to the Employee (in such manner as is agreed between the Employee and the receiving Employer).
- (h) Where the consents stated in Clause 2.1(g)(i) (other than the consent of the Employee) or the confirmation stated in Regulation 2.1(g)(iii) have not been obtained, ADAC may nonetheless approve a transfer if ADAC determines, in its absolute discretion, that it is reasonable in all the circumstances to approve that transfer. ADAC may, in its absolute discretion, reject a transfer.
- (i) Where ADAC does not approve a transfer, ADAC may cancel its sponsorship of the Employee and in that event the Employee shall not be permitted to work for a new Employer unless a valid entry permit and residence visa have been obtained.
- (j) ADAC may, in its absolute discretion, limit the number of Employees which ADAC will be willing to sponsor for an Employer.

2.2 Bank Guarantee for Sponsored Employees

- (a) Pursuant to the terms and conditions of the Personnel Sponsorship Agreement, an Employer shall lodge with ADAC a Bank Guarantee in a standard form approved by ADAC in respect of the obligations of the Employer to each anticipated non-UAE national Employee and non-Gulf Co-Operation Council (**GCC**) Employee to be sponsored by ADAC on behalf of the Employer, subject to any specified maximum number ADAC may prescribe.
- (b) ADAC may waive, in its absolute discretion the requirement for a Bank Guarantee in whole or in part.
- (c) For the purposes of calculating the value of a bank guarantee for sponsored non UAE and non-GCC national Employees, the value shall be ascertained as a fixed amount per sponsored non-UAE national and non-GCC Employee and shall be such amount as ADAC shall, in its sole discretion, determine from time to time.
- (d) ADAC may amend the amount of the bank guarantee by notice to the Employer from time to time and the Employer shall provide ADAC with an amended or replacement Bank Guarantee within thirty (30) days of such notice.

2.3 Employment of Employees not sponsored by ADAC

- (a) Subject to the prior written approval of ADAC, Employers may employ Employees who are not sponsored by ADAC (a non-sponsored Employee), either temporarily or permanently, provided the non-sponsored Employee:
 - (i) is a female sponsored by her relative; or
 - (ii) is already working for a company which is registered in the UAE (including, without limitation, any of its free zones) and where that company is the controller of the Employer or is closely linked to the Employer as those terms are defined in the Licensing Regulations;

- (b) Where ADAC approves an Employer's application to employ a non-sponsored Employee, the Employer shall acquire an appropriate identity card for the non-sponsored Employee, as detailed in Clause 3.1(f), so that the Employee may freely enter and leave Abu Dhabi Airports Free Zone.
- (c) Where the non-sponsored Employee is to be employed by an Employer temporarily, the Employer must apply to ADAC for prior approval to obtain a temporary access pass.

2.4 Employment of persons not approved by ADAC

- (a) No Employer shall employ a person who is not sponsored by ADAC under Clause 2.1 or not approved by ADAC under Clause 2.3.
- (b) A person who works for an Employer and who is not sponsored by ADAC under Clause 2.1 or otherwise approved by ADAC under Clause 2.3 shall not be recognised by ADAC as an Employee for the purposes of these Regulations.
- (c) ADAC shall have the right to exercise the powers granted to it under clauses 5 and 6 of Part 3 of the Licensing Regulations to confirm the status of Employees and other persons at the premises of an Employer in Abu Dhabi Airports Free Zone.

3. ENTRY PERMITS AND VARIOUS OTHER VISAS AND PERMIT

3.1 Permits and passes for working in and entering ADAC

- (a) All Employees shall carry and display at all times an appropriate identity card issued by ADAC (**ID Card**).
- (b) The ID Card shall serve as a means of Employee identification in Abu Dhabi Airports Free Zone in lieu of the Employee's passport or the UAE identification card.
- (c) Subject to Clause 3.1(l), a valid ID Card shall permit an Employee:
 - (i) to enter into Abu Dhabi Airports Free Zone;
 - (ii) to work in Abu Dhabi Airports Free Zone for the Employer with whom the Employee is employed.
- (d) In the event that an Employee loses his ID Card, ADAC may charge a fee to issue a replacement ID Card to an Employee, the value of such fee to be determined by ADAC.
- (e) ADAC may issue a temporary ID Card in the following circumstances:
 - (i) where an Employee has commenced working for an Employer, pending the issue of a permanent ID Card; or
 - (ii) in the event an Employee loses his permanent ID Card pending the issue of a replacement ID Card.
- (f) ADAC shall issue an ID Card to an Employee who works for an Employer in Abu Dhabi Airports Free Zone and is sponsored by a party other than ADAC as described in Clause 2.3(a).
- (g) Where a person wishes to enter Abu Dhabi Airports Free Zone to visit an Employer, the Employer shall apply to ADAC's security department for a visitor's day pass. The Employer

shall provide such identification information to ADAC's security department personnel as is requested by ADAC's security department.

- (h) ADAC shall have the right to charge an Employer for any passes, permits and/or visas issued in respect of the Employer's Employees and visitors, in accordance with a schedule of charges issued by ADAC.
- (i) Where an Employee ceases to work for an Employer or an Employer does not know the location of an Employee and the Employer has been unable to make contact with an Employee for a period of more than five days despite reasonable efforts on the part of the Employer, it shall be the responsibility of the Employer to inform ADAC and to return to ADAC, as soon as is reasonably possible, the relevant permit(s) and/or pass(es) issued to that Employee, together with the Employee's passport, where the Employee is sponsored by ADAC under Clause 2.1, for cancellation of the residence visa.
- (j) Where an Employer fails to comply with its obligations under Clause 3.1(i), and where the Employee is sponsored by ADAC as set out in Clause 2.1, then it shall become the responsibility of the Employer to return the Employee's passport to ADAC for cancellation of the residence visa.
- (k) Where both the Employer, and thereafter the Employee, fail to attend to the obligations set out in Clauses 3.1(i) and 3.1(j), ADAC may, in its discretion, take such further action as ADAC deems fit including registering the Employee as an absconder under the terms of the Federal Immigration Law.
- (l) The Health, Safety, Security and Environment Department may, in exceptional circumstances pertaining to the security of Abu Dhabi Airports Free Zone and to persons working in Abu Dhabi Airports Free Zone, deny entry to Abu Dhabi Airports Free Zone for such periods as are reasonable in all the circumstances.

3.2 Employees' passports

An Employer may not retain the passports of Employees under any circumstances.

4. MEDICAL COVER FOR EMPLOYEES SPONSORED BY ADAC

4.1 Medical cover for sponsored Employees

- (a) Subject to the payment of the applicable fees, medical cover for Employees sponsored by ADAC may be arranged through the Health Authority – Abu Dhabi (**HAAD**). Where a sponsored Employee requires hospital treatment, he may obtain treatment at any government hospital in Abu Dhabi.
- (b) It shall be compulsory for an Employer to obtain a government health card from HAAD in respect of every sponsored Employee in order to obtain a medical fitness certificate for each Employee from a government hospital and/or clinic. ADAC shall not procure a residence permit for an Employee unless a valid medical fitness certificate has already been issued by an authorised government hospital and/or clinic.

5. HEALTH AND SAFETY

5.1 Accidents in the workplace

- (a) In the event an Employee suffers any serious or fatal accident, the Employer shall report the accident to ADAC.

- (b) ADAC shall subsequently notify the Abu Dhabi Police.
- (c) In addition to the provisions of clause 5.1(a), the Employer shall maintain written or electronic records of every accident that any Employee suffers at the Employer's place of work or during the performance of his employment duties.
- (d) In order to minimise accidents in the workplace, each Employer shall follow and implement, and shall require its Employees to follow and implement, the safety and injury prevention programme established and administered by the Health, Safety, Security and Environment Department.

6. THIRD PARTY LIABILITY AND WORKER'S COMPENSATION INSURANCE

6.1 Employer's insurance cover

- (a) Every Employer shall take out and maintain insurance cover in respect of third party liability or public liability insurance and worker's compensation insurance in accordance with the requirements of the Personnel Sponsorship Agreement.
- (b) An Employer's worker's compensation insurance shall include cover for every employment injury and/or disability and related medical expenses in accordance with the Labour Law.
- (c) An Employer shall, at the request of ADAC, lodge with ADAC a copy of its insurance policy both in respect of third party liability insurance and worker's compensation insurance.

7. SALARY CERTIFICATES FOR SPONSORED EMPLOYEES

7.1 Attestation of salary certificates by ADAC for sponsored Employees

Where an Employer has entered into an Personnel Sponsorship Agreement with ADAC, ADAC shall, at the request of a sponsored Employee of the Employer, attest a salary certificate for that Employee comprising the following information:

- (a) the name of the employing Employer;
- (b) the name of the Employee;
- (c) the monthly salary of the Employee;

provided the information is consistent with that information held for the Employee by ADAC.

8. RECRUITMENT OF EMPLOYEES AND EMPLOYMENT CONDITIONS

8.1 Recruitment of Employees under the sponsorship of ADAC

- (a) Where an Employer recruits an Employee who is to work for the Employer under the sponsorship of ADAC, the Employer shall be responsible for the following costs:
 - (i) the cost of processing the Employee's entry permit;
 - (ii) the cost of the Employee's air ticket from the Employee's point of origin to Abu Dhabi;
 - (iii) the cost of processing the Employee's residence permit;

- (iv) the cost of processing the Employee's health card;
 - (v) the cost of renewal of the Employee's residence permit and health card, including the cost of a medical fitness certificate.
- (b) The Employer is prohibited from charging these costs to the Employee or from recouping the costs by making deductions from his salary.
 - (c) The terms and conditions of employment for Employees recruited by Employers but sponsored by ADAC shall be a matter of negotiation between the Employer and the Employee, subject to the terms of the Employment Contract at all times complying with the terms and conditions of the Labour Law.
 - (d) ADAC shall have the right to require Employers to observe the rules regulating the relationship between them and their respective Employees as provided in these Regulations.
 - (e) Every Employee shall sign an Employment Contract which sets out the minimum acceptable terms and conditions of employment for Employees working in Abu Dhabi Airports Free Zone which shall be the minimum terms and conditions prescribed under the Labour Law.
 - (f) An Employer shall submit an entry permit, passport and Employment Contract in respect of every new Employee within forty eight (48) hours of the Employee's arrival in Abu Dhabi to ADAC.
 - (g) Working conditions for Employees, including but not limited to, hours of work, holiday leave entitlement, end of service benefits and termination of employment shall as a minimum be as set out in the Labour Law.

8.2 Transfer of employment to another Employer

Where an Employee transfers his employment to another Employer, his Employment Contract shall be deemed to have ended and his period of employment with the former Employer shall not be treated as continuous unless special arrangements to the contrary are agreed in writing between the parties and ADAC has given its approval.

9. RESOLUTION OF LABOUR DISPUTES

9.1 Resolution of labour disputes between Employers and Employees

- (a) ADAC shall not be responsible for the resolution of any labour disputes arising between an Employer and an Employee.
- (b) In the event of a labour dispute arising between an Employer and an Employee, the parties must apply to ADAC and ADAC will issue a letter on behalf of Abu Dhabi Airports Free Zone referring the dispute to the Ministry of Labour. The Ministry of Labour may, in turn, refer the matter to the Abu Dhabi Courts.
- (c) No labour dispute may proceed direct to either the Ministry of Labour or the Abu Dhabi Courts without first being referred thereto by ADAC under the provisions of Clause 10.1(b).
- (d) ADAC will not refer a labour dispute under the provisions of Clause 9.1(b) where Clause 2.4(b) applies.

- (e) Abu Dhabi Airports Free Zone shall implement any decision or order of the Ministry of Labour or the Abu Dhabi Courts with respect to a labour dispute.

10. FINES IMPOSED ON EMPLOYERS FOR VIOLATION OF THE REGULATIONS

10.1 General

- (a) An Employer shall not be allowed to rely on ignorance of these Regulations as an excuse for its failure to comply with them.
- (b) ADAC reserves the right to impose a ban on the entry and/or exit of an Employer's Employees where, after receiving a warning, the Employer fails to remedy a violation of these Regulations.
- (c) Without prejudice to the specific powers in certain sections of these Regulations to prescribe matters or issue implementing regulations and notwithstanding the absence of such powers in certain other sections, ADAC may, by a decision of the chief executive officer of ADAC, make implementing regulations from time to time to prescribe any matter to be prescribed under these regulations or for the better carrying out of these Regulations including by amending or supplementing these Regulations.

10.2 Employment Violations

- (a) Where an Employer is found to be illegally employing Employees of other Employers in breach of the provisions of these Regulations, ADAC may impose a fine of AED 5,000 for each such illegal Employee on the employing Employer and the Employee shall also receive a warning.
- (b) Where an Employer is found to be illegally employing persons who are not sponsored by ADAC under Clause 2.1 or not approved by ADAC under Clause 2.3, ADAC may impose a fine of AED 10,000 for each such Employee on the employing Employer. Where an Employer continues to employ Employees or other persons illegally, ADAC shall have the right to increase the fine imposed on the Employer to AED 15,000 for each such Employee.
- (c) Where an Employer fails to renew the residence and employment visa of its Employees (each, a **RE Visa**) thirty (30) days from the date that the Employee's RE Visa expires, ADAC may impose a fine on the Employer of AED 2,500 for each such Employee. Where the period of failing to renew the RE Visa is greater than ninety (90) days after the RE Visa expired, the fine may be increased to AED 5,000 for each such Employee.
- (d) Where an Employer supplies Employees sponsored by ADAC to work for the Employer for the use of third parties (including without limitation, other Employers), ADAC may impose a fine on the supplying Employer of AED 10,000 for each such Employee and cancel the RE Visa of any such Employees.
- (e) Where an Employer fails to cancel a RE Visa within thirty (30) days of the date of termination of employment of an Employee or thirty (30) days from the date that the Employee's RE Visa expires, whichever occurs first, ADAC may impose a fine on the Employer of AED 2,500 for each such Employee. Where the period of failing to cancel the RE Visa is greater than ninety (90) days after an Employee has left the employment of the Employer, or ninety (90) days after the RE Visa expired, whichever occurs first, the fine may be increased to AED 5,000 for each such Employee.

- (f) Where the RE Visa of an Employee of an Employer is cancelled because the Employee has been continually out of the UAE for a period exceeding six (6) months, ADAC may impose a fine on the employing Employer of AED 5,000 for each such Employee.
- (g) Where an Employer, in breach of Clauses 3.1(i) through 3.1(k), fails to inform ADAC within 14 days of the Employer knowing (or within 14 days from when the Employer should reasonably have known) that an Employee cannot be located or has absconded, ADAC may impose a fine on the Employer of AED 5,000 for each such Employee. Any fines imposed under this Clause 10.2(g) are in addition to any other fines that may be imposed under Clause 10.2.
- (h) Where an Employer employs a person sponsored by ADAC on a visit or tourist visa (a **Visit Visa**) ADAC may impose on the employing Employer a fine of AED 5,000 for each such Employee.
- (i) Where an Employer supplies persons sponsored by ADAC on a Visit Visa for the Employer for the use of or employment by third parties, ADAC may impose a fine on the Employer of AED 10,000 for each such Employee and cancel the Visit Visa of any such persons.
- (j) Where an Employer fails to ensure that persons sponsored by ADAC on a Visit Visa for the Employer leave the UAE prior to the expiry of the Visit Visa ADAC may impose a fine on the Employer of AED 1,500 for each such person.
- (k) Where an Employer continues to employ Employees or other persons illegally, ADAC shall have the right to increase the fine imposed on the Employer to AED 10,000 for each such Employee and suspend the Employer's Licence.
- (l) Where an Employer has failed to pay any fines imposed by ADAC (under Clauses 10.2(a) through Clause 10.2(k)) within a period of two (2) weeks following a suspension of the Employer's licence under Clause 10.2(k), ADAC may cancel the Employer's Licence. Any cancellation of an Employer's Licence under this Clause 10.2(l) is without prejudice to the obligation of the Employer to pay any fines so imposed by ADAC (under Clauses 10.2(a) through Clause 10.2(k)).
- (m) Nothing in this Clause 10.2 shall prejudice the right of ADAC to impose any sanction or penalty under the Licensing Regulations 2011 including, without limitation, the authority of ADAC to cancel, revoke or suspend the Licence of an Employer as set out in Clause 13 of the Licensing Regulations. Any action by ADAC to cancel, revoke or suspend an Employer's Licence under Clause 13 of Part 2 of the Licensing Regulations is without prejudice to the obligation of the Employer to pay any fines so imposed by ADAC under this Clause 10.2.

These Regulations shall come into effect on the date of its issuance.

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[Chief Executive Officer of ADAC]

Issued in Abu Dhabi on 1 October 2011